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## OIL GAS AND MINERAL LEASE

THIS AGREEMENT made this Told day of Nov. 2009, between Tellie Tolds on Assault Between Tolds on

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the coverants and appearances of Lessee hereinafter contained, does hereby grant, lessee and left unto Lessee the land covered hereby for life purposes and with the exclusive right of exploring, drilling, nilping and operating for, producing and owning oil, gas, sulpitur and all ciner minerate (whether or not similar to those mentioned), together with the right to make surveys or said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of sait water, construct roads and bridges, dig canals, build lanks, power stations, talephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the kind obvered hereby or any other land adjacent therete. The land covered hereby, herein called "said land," is located in the County of Tarragi. State of Taxas, and is described as follows:

#### See Attached Exhibit "A" for Legal Description

- 2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of <u>Three</u> years from the data hereof, hereinafter called "primary term." and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.
- with no cessation for more than ninety (90) consecutive days.

  3. As royally, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee imay connect its wells, the equal 25% part of all of produced and saved by Lessee from said land, or from time to time, at the option of Lessoe, to pay Lessoe, the average posted market price of such 25% part of such oil at the wells, as of the day it is out to the pipe line or storage tanks. Lessor's interest, in either case, to bear of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lesson on gas and costage tanks, Lesso's interest, in either case, to bear of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lesson on gas and costage tanks. Lesso of said land of it the manufacture of gasciane or other products, the market value, at the mouth of the well, of 25% of sun gas and castagheed gas, (c) To pay Lesson on all other minerals market and marketed to utilized by Lessee from said land, one-tenth either in kind or value at the vell or mine at Lessee's election except that on sudjour mined and marketed the royally shall be one-tollar (S). (b) per leng too, if, at the expendition of the primary term or at any time of thresh thereoffer, there is any well on seid land or on lands with which said land or any position thereof has been pocied, capable of producing oil or gas, and all such wells are shall in, invertibles, portions, portion thereof has been pocied. Capable of producing oil or gas, and all such wells ene shall in, and thereafter this lease may be continued in force as if no shall in the exercise of such diagence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of the lines, separator, and lease tank, and shall not be required to estitle alter or which is a continued to several produced from said vells, but in the exercise of such diagence, Lessee, shall not be required to settle alter or counter than we
- payment, Nothing berein shall imper Lessee's night to release as provided in paragraph 5 hereof, in the event of assignment of this lesses in whole or in ant, tability to payment hereunder shall read exclusively on the intentions, as as to establish under contenting not more than 80 surface acrees, and/or with any other land, lease, or reases, as to any or all minerals or nortrons, so as to establish unds contenting not more than 80 surface acrees as a contenting not more than 80 surface acrees, and/or than exclusively provided to the provided of the factors, and the provided from wells classified as to any one or more horizons, or existing units may be established as to any one or more horizons, or existing units may be a statished as contenting into more than 80 surface acrees as a surface or than existing provided from wells classified as gas wells by the conservation agency having jurisdiction. If length units that or order, for the disting or operation of a very larger transportance, and the size permitted or required or required under any governmental into order. In this disting or operation of a very larger to content in the size permitted or required or required under any governmental into order. In this disting or operation of a very larger to continue the size permitted or required by such governmental interior units. Lesses shall exercise said ordina at 5 leach desired unit by executing an instrument identifying such unit and lining if or record in the public office in which this issue is recorded. Such unit shall become effective as of the date provided for in said instrument or instruments but it said instruments and the said instrument of the date such instrument and so fact of the control of the date provided is the said instrument or instruments but it is all instruments and the control of the date provided is the said instrument or instruments but it is all instruments and the control of the said instruments and the provided is all instruments and the provided in the said instruments and the pr
- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

- 8. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location or access road, drilling, testing, completing, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endasyor to obtain production of oil, gas, suiphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn riow or said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the coverants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalities, or other moneys, or any part thereof, however effected, shall excrease the obligations or diminish the rights of Lessee, including, but not limited to the location and drilling of wells and the measurement of production. Notwithstanding any either adual or constructive knowledge or notice thereof of or to Lessee, in successors or assigns, no change or division in the ownership of said land or of the myaltins, or other moneys, or the right to receive the same, however effected, shall be binding upon the their record owner of this lease unit said (80) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs successors, or sasigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly field for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lesse for any cause, and no such action shall be brought until the lapse of said y(60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lesse is carried for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a disting or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as that existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easuments on said land as are necessary to operations on the acreage so retained and shall not be required to move or remove any existing surface facilities necessary or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomscever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other lessor, of interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the holder thereof and to deduct amounts so paid from royaltes or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers alsos interest in the oil, gas, suiphor, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whicher or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regern to whether it is executed by all those ranned herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the phrmary term hereof, it is not being combused in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except linancial) beyond the reasonable control of Lessee, the primary term hereof shell be extended until the lint conversity data hereof countries ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface ibotation(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such operations conducted at a surface location off of said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated:

IN WITNESS WHEREOF, this instrument is executed on the date first above written.
LESSOR(S)
Ourishorly I co
Tarria Torbe MA
Besser do Tocke Vin
STATE OF TEXAS }
Se. (ACKNOWLEDGMENT FOR INDIVIDUAL)
manyfilm
This instrument was acknowledged before me on the
Signature
My commission expires Notary Public
Seal: Wy Corne for tour 17 2011

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# Exhibit "A"

Lot 16, Block 11, of Brookmeadow Addition, Section Two, an addition to the City of Arlington, Tarrant County, Texas, according to the plat thereof recorded in Volume 388-187, Page 18, of the Plat Records of Tarrant County, Texas.

This lease shall include all streets, alleyways, easements, gores and strips of land adjacent and contiguous thereto